



SUBJECT: EXCLUSION OF INDIVIDUALS/ENTITIES FROM FEDERAL HEALTH CARE PROGRAMS	PAGE 1
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POLICY No.: 1103	EFFECTIVE DATE: 10/15/10
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APPROVED BY: <i>Jonah M. Kelly</i>	SUPERSEDES: DHS Policy No. 1001
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PURPOSE: To prevent the employment of, or contracting with, an individual or entity that is excluded from participation in Federal health care programs by the Office of Inspector General (OIG) of the Department of Health and Human Services or excluded from Federal procurement and non-procurement programs as reported by the United States General Services Administration (GSA). The GSA maintains a list of parties debarred, suspended, proposed for debarment, or declared ineligible by Federal Agencies or by the Government Accounting Office.

POLICY: The Department will not knowingly employ, contract with, or purchase from individuals or entities that are excluded by the OIG or appear on the GSA's exclusion list. Prior to entering into employment or contractual relationships, and periodically thereafter, the Department will check the exclusion status of individuals and contracting entities.

All DPH employees and contractors are required to report to their supervisor or Program Liaison, respectively, if, subsequent to their employment or engagement through contract, they become subject to exclusion. Employees and contractors must also report to their supervisor or Program Liaison if they become aware that another employee or contractor has become subject to exclusion.

DPH will terminate any employment or contract agreement with any individuals or entities that are found to be excluded by the OIG or that appear on the GSA's exclusion list.

The Director of Public Health or his designee's written approval is required to waive the requirements of this policy in appropriate circumstances.

GUIDE: Non-compliance with the policy could subject the Department to civil monetary penalties under the Federal Social Security Act and the Health Insurance Portability and Accountability Act (HIPAA) of 1996. Additionally, the Department cannot receive reimbursement from a Federal health care program (e.g., Medi-Cal, Medicare, etc.) for services provided by or ordered by an individual who the Department knows, or should have known, is excluded from program participation.

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PROCEDURES:

The following procedures must be implemented to prevent the employment of, or contracting with, excluded individuals or entities.

DPH Human Resources

- Check the OIG's List of Excluded Individuals/Entities on the OIG web site (www.hhs.gov/oig) and the GSA's List of Parties Excluded from Federal Procurement and Nonprocurement Programs (<http://epls.arnet.gov/>) prior to hiring employees or utilizing contract staff that provide services on-site at DPH facilities.
- Annually check the OIG's List of Excluded Individuals/Entities and the GSA's List of Parties Excluded from Federal Procurement and Nonprocurement Programs to determine the exclusion status of current employees and on-site contract staff. Immediately report any excluded individuals/entities to the Department's Audit and Investigation Division for necessary action.
- Prior to employment, require potential employees to certify that they are not presently excluded or at risk of exclusion as a result of an existing or recently completed investigation by the State or Federal Governments.
- At the start of service, notify employees of their ongoing obligation to report to their supervisors if they, or another employee that they are aware of, becomes subject to an exclusion. Employees who do not comply with this obligation may be subject to disciplinary action, in accordance with the Department's "Employee Evaluation and Discipline Guidelines".

Contracts and Grants

- Ensure that Department contracts include language requiring contractors to certify that neither they nor any of their staff members performing services for the Department are excluded from providing services to beneficiaries of a Federal health care program or suspended, debarred, ineligible, or excluded from securing federally funded contracts to notify the County immediately of any exclusionary action taken or any event that would require contractor or a staff member's exclusion.
- Check the OIG's List of Excluded Individuals/Entities and the GSA's List of Parties Excluded from Federal Procurement and Nonprocurement Programs prior to entering into any contracts to determine the exclusion status of the contractor.

Materials Management

- Check the OIG's List of Excluded Individuals/Entities and the GSA's List of Parties Excluded from Federal Procurement and Nonprocurement Programs prior to issuing purchase orders with any new vendor to determine the vendor's exclusion status.

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- Require all vendors to certify that they are not presently excluded or presently at risk of exclusion as a result of an existing or recently completed investigation by the State or Federal governments. This certification is not required of vendors with a contractual relationship with Novation.
- Require vendors to notify the County immediately of any exclusionary action taken or any event that would require the vendor's exclusion. This notification is not required of vendors with a contractual relationship with Novation.

Corporate Office of Purchasing and Standardization

Ensure that an annual check of the OIG's List of Excluded Individuals/Entities and the GSA's List of Parties Excluded from Federal Procurement and Nonprocurement Programs is conducted to determine the exclusion status of current vendors and contractors. Immediately report any excluded individuals/entities to the Department's Audit and Investigation Division for necessary action.

Audit and Investigation Division

- If it is determined that an employee, contractor/vendor or contractor's staff is excluded, Audit and Investigation will work with Human Resources, Contracts and Grants, Materials Management and/or County Counsel (as applicable) to coordinate the individual's/entity's termination of service and ensure any other corrective actions are taken (e.g., correction of any improper claims).
- If the Department becomes aware that an employee, contractor or contract staff is being investigated for actions that could lead to their exclusion, Audit and Investigation will work with the impacted area's management to determine the need to suspend or change the individual's/contractor's responsibilities pending the conclusion of the investigation to ensure that patient care is not adversely affected and that improper claims are not submitted.

Non-compliance with this policy should be reported to:

Audit and Investigation Division
5555 Ferguson Drive
Suite 320-24C, Room 3033
Commerce, CA 90022
(323) 869-8920 telephone or (323) 869-8919 via facsimile

AUTHORITY: Civil Monetary Penalties Law, 42 USC Section 1320a-7a(a)(5), 42 USC 1395y(e); 1396a(a)(39), 42 CFR Section 1001.1901, 45 C.F.R. Part 76

CROSS

REFERENCES: Employee Evaluation and Discipline Guidelines